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651 424 687 50 per cent. If there was collusion that involved the land supervisor of the village he was to be assessed twice the amount of the tax due.

The tax rates were 12.6 per cent on deeds and 5.3 per cent on mortgages. The basic rates were 6 per cent and 3 per cent and were collected 651 for the province by the hsien. It kept 2 per cent of the total for its collection service. A surtax of 10 per cent of the basic tax was designated 426 for education. The remaining 6 and 2 per cent represented the commission, ya yung, formerly collected by the middlemen who arranged the deals, but later taken over by the government agencies.

The basic rate and the 10 per cent surtax were paid by the seller or mortgagor. The ya yung charges were paid 60 per cent by the purchaser or mortgagee, 40 per cent by the seller or mortgagor.

The proceeds of the extra 6 per cent, ya yung, on deeds was divided 1.5 per cent for the province, 2.0 per cent for the hsien, and 2.5 per cent for the village where the land was located. The extra 2 per cent on mortgages was divided 0.5 per cent to the province, 0.8 per cent to the hsien, and 0.7 per cent to the village. The hsien and village shares were earmarked for education. The village share was reported as one of the sources of income for the village school. (See Chapter IX.)

651 424 In addition to the taxes there was a charge of 50 cents a sheet for the official deed and mortgage forms and 10 cents each for recording.

The number of deeds recorded was 4,826 in 1927, 5,660 in 1929. The three year average was 5,550. The number of mortgages was 903 in 1927, 1,110 in 1929, the three year average 1,049. The total reported value of the deeded land was $100,000 in 1927, $208,000 in 1929, the three year average $150,000. The total amount of the recorded mortgages was $24,600 in 1927, $54,500 in 1929, the three year average $37,870. The average land value per deed was $21 in 1927, $37 in 1929. The amount of the average mortgage was $22 in 1927 and $49 in 1929.

651 The land transfer tax on deeds and mortgages, plus the charge for the official forms and for recording, totaled $17,317 in 1927 and $33,091 in 1929. The average for the three years was $24,290. The division between deeds and mortgages was almost exactly the same for all three years, 89.3 per cent for deeds, 10.7 per cent for mortgages.

651 Tooth (sales) taxes, ya shui for the province and ya chüan for the hsien, were collected on most sales. Some said that the term "tooth 432 taxes" was derived from the fact that the taxes were first levied on the sale of farm animals, transactions that regularly included the examina-

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tion of the animals' teeth. Other suggested that the term was connected with the amount of talking that the middleman had to do to consummate a sale. Unlike the land transfer taxes, which were collected by the hsien tax office, the tooth taxes were regularly farmed out to the highest bidders. The tax contract usually granted the collection privilege for the entire hsien, though for some taxes two or three different collection areas were indicated. There was evidently considerable subcontracting because of the area of the hsien and the number of market centers, 83, that had to be covered. It was also reported that anyone could act as middleman and tax collector in a market if he secured a license and arranged with the next higher tax contractor for the payment of the taxes collected and with the higher up middleman for the division of the commissions involved. In the animal market the commission was generally divided evenly.

The combined tax and commission charge was usually divided by the seller and the buyer, the actual proportion paid by each depending on official tax regulations and on local customs. Where the government's rules and the local procedure differed, local usage was apt to prevail.

On most sales the middleman collected a 6 per cent fee, 3 per cent for the tax, 3 per cent for commission. Only one per cent tax was paid on cotton, but the tax agent ordinarily estimated the amount of cotton offered for sale in the market and collected the tax on that amount even if the cotton was not sold. In that case the middleman had to pay the tax. One report gave the 1929 tax as 70 coppers per picul, the middleman's gross collection on a sale as 200 coppers per picul, and his net as 130 coppers. A later report stated that there were two taxes on cotton, the tooth tax and an additional sales tax. The combined tax was given as 38 coppers per picul with the buyer paying one copper per catty and the seller nothing, or the division might be determined by the terms of the sale. A 1933 report gave the combined tax as 52 coppers and therefore the net to the middleman only 48 coppers per picul. Although the middleman might not receive any direct payment from the seller he usually managed to secure some profit on exchange when he turned over the money from the sale. It was also stated that the middleman protected himself on the matter of the taxes on unsold cotton by generally under-reporting his sales to the tax office.

On cotton cloth there was a fixed charge of two cents per piece. In the grain markets the tax was usually two coppers per tou, except for

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651 sesamum, on which the charge was four coppers per tou. The commission was the same as the tax, two or four coppers per tou. In 1931 the price of millet was 50 cents per tou, kaoliang 54 cents, wheat 88 cents, and sesamum $1.28.

There were eight different tooth taxes: (1) animals, (2) cotton and cotton seed, (3) cloth, (4) grain, (5) oil cake, fuel, vegetables, fruit, bags, thread, and belts, (6) peanuts, mats, and hemp, (7) timber, oil waste, animal hides, bones, and oil, (8) bristles. The history of the different taxes shows that most of them had long been collected for local use. About 1915 many of them were designated, at least in part, for particular purposes: cotton for an agricultural demonstration center; cotton cloth for the opening of the Chamber of Commerce, for the establishment of an industrial school, for the promotion of industry; oil cakes, vegetables, etc., for lecture halls and reading rooms; peanuts and mats for official and religious ceremonies, for the establishment of a police association, for visiting primary schools, for reading rooms; lumber and animal products for relief funds for orphans and the poor, for girls' higher primary schools. Then in 1925 Li Ching-lin, the governor of Hopei province, reformed the taxes and appropriated part of the tooth taxes for the provincial government. In fact the province took over the tooth taxes, except for a fixed amount equal to what the hsien government had been collecting. Later increases in the tooth taxes went to the province rather than to the hsien.

The amounts collected from the tooth tax contractors in 1929 ranged from $1,458 on bristles and $1,540 on cloth to $5,750 on grain and $18,130 on animals. The total was $44,313, of which $28,863 went to the hsien and $15,450 to the province. In 1927 the total for the province was $7,482. Most of the increase came in the animal tax, which went up $6,780, 59 per cent in two years. Three amounts went down during the two years, cotton by only $10 but oil cake, etc., by 12 per cent and cloth by 15 per cent. Grain and peanuts went up not more than 3.5 per cent but wood, etc., increased 33 per cent and bristles 45 per cent.

The increase in the tax receipts did not, of course, necessarily represent any increased payment for the people, except as it made the tax collectors more diligent in their work. The increase was rather an adjustment in the division of the tax income between the collector and the government and possibly the recognition of larger sales totals because of price increases. The figures also show something of the relative

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strength of the business and agricultural groups. In 1927 extra emergency land taxes were collected amounting to 200 per cent of the normal land tax. The increase in the tooth taxes arranged for that year but collected in 1928 was only 11.1 per cent. In 1928 the extra land tax was 61 per cent of the normal tax. The same year the government tried to secure a 40 per cent increase in the tooth taxes for 1929 but the best it could get was 10 per cent. The land owners were evidently much more vulnerable to emergency tax assessments, but as soon as the military emergency was over the extra levies were discontinued and the land tax returned to the traditional level.

When preparing for the annual tooth tax bidding the government authorities attempted to set up minimum amounts that must be bid. In 1927 six of the eight bids were above the minimum, but four of the six by not more than $10. The total for the eight contracts was $747 less than the sum of the proposed minima. The next year the minima were the bids of the previous year. Again six of the successful bids were above the minimum. Grain was only $1.00 more. The total was $4,037 above the sum of the minima. The animal tax bid was up $3,010, 26 per cent. In 1929 the authorities raised the minima so that their total was $16,145 (40 per cent) above the total of the 1928 bids, but the successful bids totaled only $3,931 (10 per cent) more than the 1928 total. All of the final bids were less than the proposed minimum and two of the eight, peanuts and bristles, were less than the amount bid the previous year. Another rise of $3,710 in the animal tax accounted for most of the increase in the total.

For both 1928 and 1929 the total increase in the tooth taxes over the amount for the previous year was within a few dollars of $4,000, an increase of some 11 per cent per year. Figures are not available to show whether this increase continued. However, the drop in prices in the early 1930s undoubtedly brought decreases in the amounts bid by the tax collectors.

Besides the eight tooth taxes the hsien and province collected an additional tax on the animal and cotton sales. In 1929 it was $42,668, only $1,645 less than the total for the eight tooth taxes. There was also a tax on the butchering of animals that totaled $9,500. These two amounts were divided approximately 54 per cent to the province and 46 per cent to the hsien. The hsien also received an additional $17,156 on peanuts and wood, an amount in which the province did not share.

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651 The total sales tax receipts in 1929 were $113,637, divided $70,259 for the hsien and $43,378 for the province.

432 The 1917–29 record of the hsien tax on peanuts and wood shows how the highest bids for one of the extra sales taxes nearly trebled in 12 years and how from the low in 1918 to the maximum in 1929 the amount was almost quadrupled.

In seven years the amount was more than that for the previous year. In five years, 1918, 1920, and three successive years 1925–27, it was less. The 1918 drop of 26.3 per cent and the 1920 decrease of 18.5 per cent undoubtedly reflected the damage done by the 1917 floods and the 1919–20 drought. In both cases the succeeding year's increase more than equaled the preceding decline. Disturbed political conditions appear to be the reason for the 27.3 per cent decrease from 1924 to 1927.

The successful bid in 1917 was $6,070. In 1929 it was $17,156, an overall increase of 183 per cent. From the minimum of $4,484 in 1918 to the maximum in 1929 the increase was 284 per cent. From 1927 to 1929 the amount went up 44 per cent. During the same two years the tooth tax total increased only 22 per cent.

From our figures it would appear that the governmental agencies received only a small proportion of the taxes paid by the buyers and sellers. The hsien wheat crop was estimated to total $2,689,000. A sample of 400 farm families estimated that they sold 42 per cent of their wheat. From the sales taxes on all grains the government collected only $5,750. The sales of bristles were estimated to be some $760,000. The reported sales tax paid the government was $1,458. The sales of "export cloth" totaled some 1,000,000 pieces. Only part of the 600,000 piece output of "big cloth" was sold but it would add considerably to the sale total. For the privilege of collecting the tax of two cents per piece the cloth gild bid only $1,540.

The records do not show what, if any, year to year changes there were in the successful tax bidders. With the cloth gild dealing with the government on their tooth tax there probably would not be any other bidders. Apparently little if any change was expected in the organizations actually collecting the taxes as they were required to secure a five year certificate as well as an annual license. The tax hangs were divided into six classes according to the amount of their collections or their surplus. The five year certificates cost from $80 to $300, the annual license from $20 to $160 plus $1.20 big money for the certificate show-

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ing the renewal of the license. Later, for extra income, the $20 rate was increased to $29.55 and $35.10, the $40 rate to $58.50.

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In 1925 Ting Hsien listed 64 tax collection units. There were 24 for animals, 15 for cotton and cotton seed, six for cloth, 19 for grain, two for peanuts etc., four for oil cake etc. Six agencies collected two different tooth taxes. None were listed for the wood, oil waste, animal hides and bones group, or for bristles. As there were only 80 families, living in two villages, who were engaged in sorting and selling bristles they undoubtedly made their own tax arrangements with the hsien government. It was also stated that these two groups were not listed because of lack of time for the preparation of the necessary regulations.

The 64 tax units were located in 22 different centers throughout the hsien. There were nine in the city. Nine villages had only one unit. The units were rated one second class, one third class, five fourth class, 12 fifth class and 44 sixth class. The total charge for their five year certificates was $6,290 and their total annual license fees were $2,201.70.

The city had three grain tax units, three animal units, one for mules and horses, one for donkeys and cattle, and one for pigs. Ming Yueh Tien had four animal units, one for mules and horses, and separate ones for donkeys, cattle, and pigs. Ch'ing Feng Tien among its seven units had one for the $25,000 worth of rice grown on the 2,090 mu of spring irrigated land in the 6th District.[2]

Provincial taxes on butcher shops were begun in 1915. An extra amount for the hsien was added in 1916 but the regulations provided that the hsien extra could not be more than the amount for the province. The rates were first fixed at 20 cents each for sheep and goats, 30 cents for pigs, and $1.00 for cattle. In 1916 the rate for cattle was increased to $2.00 per animal, that for donkeys was set at 60 cents, and that for horses, mules, and camels at 80 cents. Bids were to be received for three categories—pigs, cows and sheep, others—with the successful bidder for each collecting from the entire hsien. In 1925 the hsien was divided into districts and the rates increased to 40 cents for sheep and goats, and 60 cents for pigs. Cattle, etc., went up to $4.00 each to discourage their being slaughtered. In 1929 the slaughter house taxes were combined under one contract instead of three. The rate on cattle was reduced to $3.00 and the butchering of mules, donkeys, horses, and camels was forbidden.

2. See Chapter X.

4: Burgess E-4, 5 (1926-1927) 1928 AF12 North China AF12

Other considerations tend to stabilize prices and wages and the quality of goods even when there are no fixed guild rules regarding them. Any one who has stood in a Chinese market where craft-made goods of many sorts are sold and has watched the Chinese buyer does not need to be convinced that the customer is a shrewd judge of the quality of the product. Acquainted with the limited number of fixed styles, patterns, and qualities in which the goods are produced, the buyer is competent to judge the quality of the goods. Whether he wishes to buy silk, cloth or brass, hats or shoes, he knows quite well the characteristics of the product. The numerous guild regulations against the stealing of customers [1] make shopmen very canny about any change of price which would tend to draw customers from other shops. What is perhaps even more important than any of these considerations is the personal relations of the guildsmen. Many of the stores and shops of similar character are located in one geographical section. Every one has a check on every one else and all are personally acquainted. Any move to lower wages or prices which would tend to put a fellow guildsman at a disadvantage is discerned at once and reflected in the attitude of the rest of the group.

These considerations, however, are not a substitute for strict supervision of the quality of guild products, such as is described by Morse and Macgowan as existing in other parts of China. Although we have no comparative data covering a period of years on the regulation of wages, prices and standards of products, it is our opinion that the present lack of definiteness on these subjects is probably one more sign of the failing authority of the guild, owing to changed political and economic conditions. Certainly it is true that according to the reports of Macgowan, Morse and Williams, it is the rule, rather than the exception, for guilds in Central

[1] *Cf.* p. 198.

4: Burgess E-4, 5 (1926-1927) 1928 AF12 North China AF12

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and Southern China to fix prices and wages and to standardize goods.

B. Guild Regulations

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We are greatly indebted, especially to Macgowan, for the translation of the printed regulations of a great variety of guilds. Gamble has supplemented this material by the very detailed regulations of the Barbers Guild of Peking. A study of these documents shows the great variety of regulations in almost every feature of guild life, for in each case the rules are adapted to the demands of the particular craft or trade.

Macgowen gives in great detail the rules adopted in 1876 by the Wenchow Silk Weavers Union. These rules were a revision of the original rules adopted in 1842 which had fallen into disuse. A summarization of a few of the regulations follows.

Journeymen.—"A hand who is employed by one manufacturer shall not surreptitiously work for another; the penalty for transgressing is a theatrical performance and a feast for ten." The fine for stealing silk from employers is expulsion from the trade. The purchaser of such stolen goods is fined a play and a feast for over ten. "No employer shall engage a journeyman if that hand is in debt to his master." At the beginning of the new year workmen are at liberty to make engagements with other manufacturers if their debts are paid. At the beginning of each year the master shall advance to the journeyman from two to four months' wages. No more wages shall be paid until this sum is worked off.

Apprentices. — The apprentice must give a feast to the guildsmen of the establishment when he starts his work. The apprenticeship lasts for five years, during the last two of which the worker must serve his master as journeyman.